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ADMINISTRATIVE AND BUDGETARY ASPECTS OF THE FINANCING OF THE UNITED NATIONS PEACE-KEEPING OPERATIONS

Review of the rates of reimbursement to the Governments of troop-contributing States

Report of the Advisory Committee on Administrative and Budgetary Questions

1. The Advisory Committee on Administrative and Budgetary Questions has considered the report of the Secretary-General on the review of the rates of reimbursement to the Governments of troop-contributing States (A/48/912). During its consideration of this item, the Committee met with representatives of the Secretary-General, who provided additional information and clarification.

2. The principle of standard rates of reimbursement to be made to Governments of troop-contributing States for the costs incurred by them in providing troops for service in the United Nations peace-keeping forces, on the basis of equality of treatment, was initially established by the General Assembly at its twenty-ninth session. Rates of reimbursement, effective since October 1973, were reviewed by the General Assembly in 1977, 1980, 1985, 1987 and 1989 and revised in 1977, 1980 and 1991. Furthermore, the General Assembly, in its resolution 40/247 of 18 December 1985, recommended a review by the Secretary-General, in consultation with the troop-contributing States, at least once every two years, if, in the light of inflation and currency-rate exchange fluctuations or other factors brought to the attention of the Secretary-General, the rates affected the absorption factor of two or more of the troop-contributing States.

3. As indicated in paragraph 9 of the Secretary-General's report (A/48/912), three basic points were taken into consideration when the initial standard rates of reimbursement were calculated in 1973: a principle of equality in service; no Government should receive higher reimbursement than its actual cost; and

troop-contributing States should be reimbursed at least the actual overseas allowance paid to their troops. Paragraph 10 further indicates that wide variations exist in troop costs among troop-contributing countries and not all Governments are fully compensated for these costs. That portion which is not compensated by standard rates of reimbursement, but absorbed by the troop-contributing country, is referred to as the "absorption factor" and expressed in percentage terms.

4. In his report to the General Assembly at its forty-seventh session (A/47/776), the Secretary-General indicated that there had been a revision in the format of the questionnaire sent to troop contributors to identify separate cost elements of troop costs. However, the report also indicated that verification of some of the data was still pending. Only 35 per cent of the Member States surveyed had responded in 1992 (20 out of the 57 surveyed), thus making it difficult to draw any conclusions at the time.

5. The subsequent report of the Secretary-General (A/48/912) incorporated the cost information provided by six additional Member States received in 1993, thus increasing participation to 45 per cent of the 57 surveyed. The list of those States providing military personnel to United Nations peace-keeping operations, indicating those providing troops, military observers and those who replied to the questionnaire, is contained in annex I to the Secretary-General's report.

6. Current rates of reimbursement, effective since July of 1991, are the following: pay and allowances for all ranks amount to $988 per person per month; supplementary payment for specialists (limited to a maximum of 25 per cent for the logistics contingents and 10 per cent for other contingents of their actual total strength) amount to $291 per person per month; a usage factor for personal clothing, gear and equipment for all ranks amounting to $65 per person per month; and reimbursement for personal weaponry (including ammunition) for all ranks, which amounts to $5 per person per month.

7. The rates of reimbursement for these last two items have remained in effect since 1975. Upon inquiry, the Advisory Committee was informed that the $65 reimbursement for personal clothing, gear and equipment was based on the Government's national scale of issue and included shirts, trousers, socks, shoes, boots, jackets, underwear, belt, caps, sweaters, gloves, etc. The $5 per person per month for personal weaponry and ammunition related to ammunition for training and the maintenance of personal weapons.

8. The Advisory Committee points out that there are other services provided by peace-keeping missions to contingent personnel, that are not mentioned in the report. The Advisory Committee requests the Secretary-General, in the context of the next report on this matter (see para. 12 below), to include a complete analysis of all services being provided to troops, together with an indication of the rationale for the provision of each service and how they are administered and accounted for.

9. Paragraph 11 of the Secretary-General's report indicates that the collection and compilation of comparable data relating to troop costs started in 1980. However, overall absorption factors tend to vary according to the combination of troop contributors surveyed at a particular year.

10. Annex II to document A/48/912 lists the average cost per person per month to the troop contributors in respect of pay and allowances of troops, the corresponding overseas allowance, the United Nations reimbursement in respect of pay and allowances of troops, and the corresponding absorption factor. The data included indicate that 5 out of the 15 States were not being fully reimbursed for overseas allowance, and 4 out of the 15 were being reimbursed in excess of actual cost for pay and allowances (including overseas allowances).

11. As indicated in paragraph 25 of the Secretary-General's report, the resulting overall average absorption factor for 1991 was 43.1 per cent. This average decreased by 6.2 per cent when compared with the 1989 factor at 49.3 per cent. The Secretary-General indicates in the same paragraph that these rates appeared to be reasonable, not warranting an adjustment at that stage.

12. The Advisory Committee points out that the results of the survey and the corresponding data referred to in document A/48/912 date back to 1992-1993. Since then, not only has three years passed, but the number of troop contributors has increased from 57 to 70, making the information contained therein outdated. The Advisory Committee is of the opinion that before the General Assembly takes action on the standard rates of reimbursement, the Secretary-General should be requested to carry out a new survey. Furthermore, the General Assembly may wish to provide further guidance regarding other factors or expenses to be taken into account in the survey.

13. The Advisory Committee is concerned at the low level of response by troop-contributing countries. The Advisory Committee recommends that the matter be addressed by the General Assembly so that more accurate and comprehensive data is provided to establish whether or not a change in the standard rates of reimbursement to the Governments of troop-contributing States is warranted.